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MEMORANDUM FOR THE RECORD

SUBJECT: Restructuring the OSA Organization to Obtain
Optimum Utilization of Personnel and Reduce
Unilateral Activity

1. BACKGROUND

a. In 1955, subsequent to Presidential action establishing the U-2 program, a concept of operations agreement was signed by General Nathan Twining for the Air Force and Mr. Allen Dulles for the CIA. Mr. Richard Bissell, CIA, was appointed Program Director and proceeded to establish an organization which would be self-sufficient to where it would support its mission without reliance on normal governmental administrative channels.

b. Due to the growth of the Agency and the formation of the Deputy Directorate for Research (DD/R), OSA transitioned from a satellite position possessing a direct command channel to the Director Central Intelligence (DCI), to the largest organization within the DD/R (later DD/S&T). With the advent of the National Reconnaissance Office (NRO) and the additional staff levying requirements for information on the DD/S&T; that office responded with additional staff to counter-balance and react to these requirements, OSA in kind reorganized to counter the DD/S&T staff.

SECRET

SECRET

c. The files are replete with papers written by former OSA staff members on the impact of the DD/R and the NRO on OSA's operational freedom. It is not the intent of this paper to attempt to rationale on past decisions or to further joust with these windmills; the intent here is to present for management's perusal a proposed organization that will effectively meet the demand for more efficient management.

d. It is a foregone conclusion that OSA will continue to be scrutinized in a most minute detail for the elimination of any function that appears unilateral in nature, the objective being a concurrent reduction to its manpower authorizations. It is thought, an in-house review now would be preferable to a later review by an outside activity.

2. OPERATING PROBLEMS INHERENT IN THE PRESENT ORGANIZATION

a. Resistance to Change

1. It is axiomatic that resistance to change is directly proportional to the size of the organization. The OSA is no different in this respect.

2. Any proposal that affects the composition of an organization; the grades and placement of personnel, the vertical and lateral relationships with other activities, is immediately suspect. This proposal will be subjected to a similar reception, but it is hoped that it will be reviewed impartially and treated as a possible avenue for resolving operating problems that are within our capability to solve.

SECRET

b. Lack of a Focal Point for Contractor Liaison

1. Contractors respond to inputs from three, in some cases four, Headquarters' monitors.

a. Committee approach to Program Management benefits only one party, the Contractor.

b. OSA approach to Program Management produces unilateral effort in responding to specific action items. In addition, Headquarters representation at Contractor facilities, in response to a specific item, is ludicrous with every component's desire to be represented and heard.

c. Duplicate files are necessary under the present organizational structure, which incurs excessive maintenance costs in equipment and labor.

c. Contractor Expenditure Reports are Being Received on a Monthly Basis by All Interested Functions with the Net Result that OSA is still Reacting to Overruns

No focal point effectively collecting, interpreting and disseminating contract financial information to alert a manager to a prospective overrun condition.

d. Committee Approach to Program Management Establishes a Requirement in Each Function for Unilateral Tasks

Interdependent functions are not grouped organizationally to provide the flexibility normally obtained from this type of arrangement, as well as the information pool readily available to the decision makers. (We pause at this point to recall the parting statement of Mr. Bissell: "Don't get too large.")

SECRET

e. Duplicative Budget Functions Being Performed at the DD/S&T and OSA Office Levels. OSA Providing Budget, Finance, Contract, Travel and Commo Support to Other DD/S&T Activities

1. Organizational elements whose function it is to perform across-the-board support should be grouped and slotted in their proper perspective within the organization.

2. The DD/S&T Comptroller Staff is supposed to provide the interface vis-a-vis the NRO Comptroller and Agency OPPB. To provide a focal point for budgets to interface with this staff, a budget office should be formed as part of the OSA Director's Staff and out of the line activity.

3. RECOMMENDATIONS

a. Reorganize the OSA into Three Functionally Oriented Line Activities

1. Organizational Support
2. Project Management & Support
3. Mission Operations

b. Establish a modest budget function as part of the D/SA's Staff to act as principal financial advisor to the Director and interface with the various staffs levying budget requirements on OSA.

c. Proposed Organization (see attached chart).

4. SUMMARY

a. The organizational concept outlined herein reflects the grouping of functions by common denominators. Solutions are proposed also for the myriad of problems created through poor communications and lack of coalescence in the performance of the OSA mission, plus providing each Deputy the tools he needs to efficiently manage his organization.

SECRET

b. It is not the intent of this paper to propose grade structure, slotting or any of the many finite details that engender a good organization. These factors would be the subjects of supplementary papers and be weighted by each Deputy's concept of organization structure.

c. A good Headquarters organization operates at an optimum level of efficiency regardless of personnel turnover and never attempts to perform those tasks that can be accomplished at a lower level. This factor is normally a building block of the organization structure, recognizing that personnel turnover is a constant in operations. Consequently, a good organization will consist of grouping functions whose missions are complementary. This maximizes coordination and the exchange of information to alleviate the reliance on individual personalities for continuity of operations.


Deputy for Materiel, OSA

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Attachment: a/s

-5-
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